

## Context

Special Measures provided by MCA under Companies Act 2013 & Limited Liability Partnership Act, 2008 in view of COVID-19 Outbreak.

## Extension of Timelines

S.No.	Section	Existing Provisions	Revised Provision
1	173	The mandatory requirement of holding meetings of the Board of the companies within the intervals provided in section 173 of the Companies Act, 2013 is 120 days.	The same stand <b>extended by a period of 60 days</b> till next two quarters i.e., till 30 <sup>th</sup> September. Accordingly, as a <b>one time</b> relaxation the gap between two consecutive meetings of the Board may <b>extend to 180 days till the next two quarters</b> , instead of 120 days as required in the Act.
2	As per Para VII (1) of Schedule IV	Independent Directors (IDs) are required to hold at least one meeting without the attendance of Non- Independent directors and members of management.	For the financial year 2019-20, if the IDs of a company have not been able to hold such a meeting, the same <b>shall not be viewed as a violation</b> . The IDs, however, may share their views amongst themselves through telephone or e-mail or any other mode of communication, if they deem it to be necessary.
3	73(2)(c)	To create the deposit repayment reserve of 20% of deposits maturing during the financial year 2020-21 before 30 <sup>th</sup> April, 2020.	The same shall be complied with till <b>30<sup>th</sup> June 2020</b> .
4	Rule 18 of the Companies (Share Capital & Debentures) Rules, 2014	To invest or deposit at least 15% of amount of debentures maturing in specified methods of investments or deposits before 30 <sup>th</sup> April, 2020.	The same shall be complied with till <b>30<sup>th</sup> June 2020</b> .
5	10A	Newly incorporated companies are required to file a declaration for Commencement of Business within 180 days of incorporation.	<b>An additional period of 180 more days</b> is allowed for this Compliance.

6	149	Minimum residency in India for a period of at least 182 days by at least one director of every company.	The Non- Compliance of Minimum residency in India for a period of at least 182 days by at least one director of every company <b>shall not be treated as a non-Compliance for the financial year 2019-20.</b>
7	Companies (Auditor's Report) Order,2020	The Companies (Auditor's Report) Order,2020 shall be made applicable from the financial year 2019-2020.	The same shall be made applicable from the <b>financial year 2020-2021.</b> This will significantly ease the burden on companies & their auditors for the financial year 2019-20.
8	Item no. (viii) of the Schedule VII of the Companies Act, 2013	Which enumerates activities that may be undertaken by companies in discharge of their CSR obligations, inter alia provides that contribution to any fund set up by the Central Government for socio-economic development and relief qualifies as CSR expenditure.	The PM-CARES Fund has been set up to provide relief to those affected by any kind of emergency or distress situation. Accordingly, it is clarified that <b>any contribution made to the PM CARES Fund shall qualify as CSR expenditure under the Companies Act 2013.</b>
9	4 of the IBC 2016	The threshold limit was Rs.1 Lakh under section 4 of the IBC for carrying Insolvency Process against the Companies.	Due to the emerging financial distress faced by most companies on account of the large-scale economic distress caused by COVID 19, it has been decided to raise the threshold of default under section 4 of the IBC 2016 to <b>Rs 1 crore.</b> This will by and large prevent triggering of insolvency proceedings against MSMEs. If the current situation continues beyond 30 <sup>th</sup> of April 2020, we may consider suspending section 7, 9 and 10 of the IBC 2016 for a period of 6 months so as to stop companies at large from being forced into insolvency proceedings in such force majeure causes of default.
10	<b>No additional fees</b> shall be charged for late filing during a <b>moratorium period from 01<sup>st</sup> April to 30<sup>th</sup> September 2020</b> , in respect of any document, return, statement etc., required to be filed in the MCA-21 Registry, irrespective of its due date, which will not only reduce the compliance burden, including financial burden of companies/ LLPs at large, but also enable long-standing noncompliant companies/ LLPs to make a 'fresh start'.		

**RELAXATION PROVIDED BY INTRODUCING “COMPANIES FRESH START SCHEME, 2020”AND REVISED “LLP SETTLEMENT SCHEME, 2020”**

In pursuance of the Government of India’s efforts to provide relief to law abiding companies and Limited Liability Partnerships (LLPs) in the wake of COVID 19, the Ministry of Corporate Affairs, has introduced the **“Companies Fresh Start Scheme, 2020”** and revised the **“LLP Settlement Scheme, 2020”** which is already in vogue to provide a first of its kind opportunity to both companies and LLPs **to make good any filing related defaults, irrespective of duration of default, and make a fresh start as a fully compliant entity.** The USP of both the schemes is a **one-time waiver** of additional filing fees for delayed filings by the companies or LLPs with the Registrar of Companies during the currency of the Schemes, i.e. during the period starting from 1<sup>st</sup> April, 2020 and ending on 30<sup>th</sup> September, 2020.

## **Context**

Due to outbreak of COVID-19 Virus SEBI vide its circular dated March 19, 2020 and March 26, 2020 has eased out few compliances specified under SEBI (LODR) Regulations, 2015 & SEBI (SAST) Regulations, 2011.

## **Extension of Timelines**

<b>S.No.</b>	<b>Regulation</b>	<b>Particulars/Compliance Reference</b>	<b>Due Date as per Regulation</b>	<b>Revised Due Date as per Circular</b>
1	7(3)	Compliance Certificate on share transfer facility	30/04/2020	31/05/2020
2	13(3)	Statement of Investor Complaint	21/04/2020	15/05/2020
3	19(3A)	Nomination & Remuneration Committee shall meet atleast once in a year	31/03/2020	30/06/2020
4	20(3A)	Stakeholder Relationship Committee shall meet atleast once in a year	31/03/2020	30/06/2020
5	21(3A)	Risk Management Committee shall meet atleast once in a year	31/03/2020	30/06/2020
6	24A	Secretarial Compliance Report	30/05/2020	30/06/2020
7	27(2)	Corporate Governance Report	15/04/2020	15/05/2020
8	31	Shareholding Pattern	21/04/2020	15/05/2020
9	33	Financial Results	30/05/2020	30/06/2020
10	40(9)	Certificate from PCS on timely issue of Share Certificates	30/04/2020	31/05/2020
11	44(5)	Holding AGM (Top 100 Listed Entities on market capitalization basis for FY 19-20)	31/08/2020	30/09/2020
13	-	Closure of Trading Window pursuant to SEBI(PIT) Regulation, 2015	01/04/2020	No Further Extension.
14	30(1),(2) & (4)	SEBI (SAST) Disclosure	Within 7 Working Days from the end of FY.	Within 7 working days from the end of 1 <sup>st</sup> June,2020.
15	23(9)	Disclosures of Related Party Transactions	Within 30 days of publication of Financial Statement.	

16	17(2)	The Board of Director Shall meet at least 4 times a year with a maximum gap of 120 days between any two meetings.	<b><u>Relaxation:</u></b> The board of Directors & Audit Committee of the listed entity are exempted from observing the maximum stipulated time gap between two meetings for the meetings held or proposed to be held between the period 1 <sup>st</sup> December, 2019 & 30 <sup>th</sup> June, 2020.
17	18(2) (a)	The audit committee shall meet at least 4 times a year & not more than 120 days shall elapse between two meetings.	
18	47	Publication of Advertisements in Newspapers	<b><u>Relaxation:</u></b> All events that are scheduled under Regulation 47 of SEBI(LODR) Regulations, 2015 till 15 <sup>th</sup> May, 2020 are now exempt from publication of advertisements in Newspaper

**Deferring the Applicability of SEBI Circular Dated 22<sup>nd</sup> January,2020 on Standard Operating Procedure:**

SEBI Vide its circular dated 22<sup>nd</sup> January,2020 Issued the Standard Operating Procedure (SOP) on imposition of Fines and other enforcement action for non- compliance with the provisions of the SEBI (LODR) Regulations, 2015.

The circular effective date of operation was from compliances period ending on or after 31<sup>st</sup> March, 2020 which shall now come into force with effect from compliance periods ending on or after 30<sup>th</sup> June, 2020.